

Message Text

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ACTION FSE-00

INFO OCT-01 NEA-10 ISO-00 ABF-01 EB-07 COME-00 FTC-01

OMB-01 TRSE-00 /021 W

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R 061506Z DEC 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 9457

UNCLAS CAIRO 16774

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: DEPOSIT OF US-OWNED LOCAL CURRENCY

REF: CAIRO A-136

1. DEPARTMENT WILL RECALL THAT JOINT VENTURE CHASE NATIONAL BANK (49 PERCENT EQUITY HELD BY CAHSE MANHATTAN) AND EGYPTIAN AMERICAN BANK (49 PERCENT AMERICAN EXPRESS) HAVE BEEN DESIGNATED LOCAL US GOVERNMENT DEPOSITARIES AND THAT, AFTER CONSIDERABLE DELAYS ON PART OF GOE, SUM OF LE TEN MILLION IN USG-OWNED FUNDS HAS BEEN TRANSFERRED TO EACH. AMBASSADOR HAS NOW RECEIVED LETTER DATED NOVEMBER 25, 1976, FROM CHAIRMAN OF MISR INTERNATIONAL BANK S.A.E. REQUESTING OPENING OF USG DEPOSIT IN VIEW OF FACT FIRST NATIONAL BANK OF CHICAGO (FNBC) HOLDS 20 PERCENT OWNERSHIP IN JOINT VENTURE AND HAS MANAGEMENT CONTRACT TO RUN BANK, INCLUDING APPOINTMENT OF DEPUTY GENERAL MANAGER. ACCORDING CHAIRMAN'S LETTER, OTHER FOUNDING MEMBERS OF INSTITUTION ARE BANK MISR, BANCO DI ROMA AND UBAF LTD., WITH FNBC'S EQUITY LARGEST SINGLE NON-EGYPTIAN HOLDING. (SEE REPAIR FOR INFORMATION ON OWNERSHIP EARLIER AVAILABLE TO EMBASSY.) BANK OPENED DOORS FOR BUSINESS ON MARCH 15, 1976.

2. AMBASSADOR ALSO RECEIVED COMPANION LETTER REQUESTING USG POUND ACCOUNT FROM FNBC SENIOR VICE PRESIDENT, HEAD OF ME AND AFRICA HEADQUARTERS BASED IN LONDON. LETTER, DATED NOVEMBER 23, 1976, NOTES MANAGEMENT OF MISR INTERNATIONAL QUOTE UNDERSTAND THE LIMITATIONS SURROUNDING SUCH AN

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ACCOUNT RELATIONSHIP AND WILL COMPLY WITH THOSE REGULATIONS

UNQUOTE.

3. ACTION REQUESTED. PLEASE ADVISE IF MISR INTERNATIONAL CAN APPROPRIATELY BE DESIGNATED USG DEPOSITARY. IF SO, EMBASSY SUGGESTS NECESSARY AUTHORIZATION BE ISSUED THROUGH RFC PARIS TO EFFECT TRANSFER OF LE FIVE MILLION. DEPOSIT OF FUNDS IN THIS AMOUNT, WHICH IN ANY EVENT ALMOST CERTAINLY WILL TAKE FORM OF STERILIZED ACCOUNT AT INSISTENCE OF GOE, WOULD REFLECT SMALLER PERCENTAGE SHAREHOLDING OF US BANK IN MISR INTERNATIONAL JOINT VENTURE THAN IS CASE IN OTHER TWO EARLIER-APPROVED INSTITUTIONS.
EILTS

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Message Attributes

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Disposition Event:
Disposition History: n/a
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Margaret P. Grafeld
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